Risk Factors Comparison 2024-02-16 to 2023-03-27 Form: 10-K

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CAUTIONARY NOTE REGARDING FORWARD- LOOKING STATEMENTS Our disclosure and analysis in this annual report on Form 10- K concerning our operations, cash flows and financial position, including, in particular, the likelihood of our success in developing and expanding our business, includes forward- looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the " Securities Act ") and Section 21E of the Exchange Act. Statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as " expects, " " anticipates, " " intends, " " plans, " " believes, " " estimates " and similar expressions are forward- looking statements. Although these statements are based upon assumptions we consider reasonable, they are subject to risks and uncertainties that are described more fully below. Accordingly, we can give no assurance that we will achieve the results anticipated or implied by our forward- looking statements. **There can be no assurance that we will be able to comply with the continued listing standards of the Nasdaq Global Market. Our Class A common stock is currently listed for trading on the Nasdaq Global Market, and we must satisfy certain continued listing requirements to maintain the listing. On April 27, 2023, we received a written notice (the " April Notice ") from the Listing Qualifications Department of The Nasdaq Stock Market LLC (" Nasdaq ") notifying us that, for the last 30 consecutive business days, the bid price for our Class A common stock had closed below the $ 1. 00 per share minimum bid price requirement for continued inclusion on the Nasdaq Global Market pursuant to Nasdaq Listing Rule 5450 (a) (1) (the " Minimum Bid Price Requirement "). On May 19, 2023, we received a notice from Nasdaq notifying us that we had regained compliance with the Minimum Bid Price Requirement and that the matter was closed. On October 13, 2023, we received a written notice (the " October Notice ") from the Listing Qualifications Department of Nasdaq notifying us that, for the last 30 consecutive business days, the bid price for our Class A common stock had closed below the Minimum Bid Price Requirement. In accordance with Nasdaq rules, we have been provided 180 calendar days, or until April 10, 2024, to regain compliance. The October Notice is only a notification of deficiency, not of imminent delisting, and has no current effect on the listing or trading of our securities on the Nasdaq Global Market. We intend to actively monitor the closing bid price of our Class A common stock and will consider all reasonable available options to regain compliance with the Minimum Bid Price Requirement, which may include transferring the listing to the Nasdaq Capital Market and / or seeking stockholder approval to effect a reverse stock split. There can be no assurance that we will regain compliance with the Minimum Bid Price Requirement during the 180- day compliance period, secure a second 180- day period to regain compliance, maintain compliance with the other Nasdaq listing requirements or be successful in appealing any delisting determination. If we are delisted from Nasdaq but obtain a substitute listing for our Class A common stock, it will likely be on a market with less liquidity, and therefore experience potentially more price volatility than experienced on Nasdaq. Stockholders may not be able to sell their shares of our Class A common stock on any such substitute market in the quantities, at the times, or at the prices that could potentially be available on a more liquid trading market. As a result of these factors, if our Class A common stock is delisted from Nasdaq, the value and liquidity of our Class A common stock would likely be significantly adversely affected.** We face risks related to health epidemics, natural disasters and other catastrophes, which have materially and adversely affected our results of operations, liquidity and financial condition. We are subject to social and natural catastrophic events that are beyond our control, such as health epidemics, **including** ~~natural disasters and other~~ -- **the** ~~catastrophes, which have materially and adversely affected our business and may continue to materially and adversely affect our results of operations, liquidity and financial condition. The~~ COVID- 19 pandemic ~~has resulted in a widespread health crisis that has~~ **, natural disasters and other catastrophes, which have materially and** adversely affected **our** ~~businesses~~ -- **business** ~~, economies,~~ and **may continue to** ~~financial markets worldwide, and has caused significant volatility in U. S. and international debt and equity markets. In 2020, we were impacted by deteriorating general economic conditions resulting from the COVID- 19 pandemic that caused a downturn in the advertising industry. The decreased demand for advertising~~ materially ~~negatively impacted~~ **and adversely affect** our results of operations, liquidity and financial condition ~~. The extent to which the COVID- 19 pandemic will continue to impact our business and financial results going forward will be dependent on future developments such as: the length and severity of the pandemic; any potential resurgence of the pandemic, including from the more transmissible variant strains and the emergence of any new variants of concern; future government regulations and actions in response to the pandemic; the timing, availability, effectiveness and adoption rates of vaccines and treatments; and the overall impact of the COVID- 19 pandemic on the global economy and capital markets, among many other factors, all of which remain highly uncertain and unpredictable~~ . We may be adversely affected by the effects of inflation. Inflation has the potential to adversely affect our liquidity, business, financial condition and results of operations by increasing our overall cost structure, particularly if we are unable to achieve commensurate increases in the prices we charge our customers. The existence of inflation in the economy has resulted in, and may continue to result in, higher interest rates and capital costs, increased costs of labor, weakening exchange rates and other similar effects. As a result of inflation, we have experienced **,** and may continue to experience, cost increases. Although we may take measures to mitigate the impact of this inflation, if these measures are not effective, our business, financial condition, results of operations and liquidity could be materially adversely affected. Even if such measures are effective, there could be a difference between the timing of when these beneficial actions impact our results of operations and when the cost of inflation is incurred. The radio broadcasting industry faces many unpredictable business risks and is sensitive to external economic forces that could have a material adverse effect on our advertising revenues and results of operations. Our future operations are subject to many business risks, including those risks that specifically influence the radio broadcasting industry, which could have a material adverse effect on our business. These risks include, but are not limited to: • shifts in population, demographics or audience preferences; • increased competition for advertising revenues with other radio stations, broadcast television, digital, satellite and cable television, video streaming services, newspapers and magazines, outdoor advertising, direct mail, internet radio, satellite radio, smart phones, tablets, and other wireless media, the internet, social media, smart speakers and other forms of advertising; • increased competition for advertising revenues from Amazon, Apple, ~~Facebook~~ **Meta** and ~~Google~~ **Alphabet** ; and • changes in government regulations and policies and actions of federal regulatory bodies, including the FCC, Internal Revenue Service, the Department of Justice, and the Federal Trade Commission. The main source of our revenue is the sale of advertising. Our ability to sell advertising can be affected by, among other things: • economic conditions in the areas where our stations are located and in the nation as a whole; • the popularity of the programming offered by our stations; • changes in population, demographics or audience preferences in the areas where our stations are located; • local and national advertising price fluctuations, which can be affected by the availability of programming, the popularity of programming, and the relative supply of and demand for commercial advertising; • our competitors' activities, including increased competition from other advertising- based mediums and new technologies; • decisions by advertisers to withdraw or delay planned advertising expenditures for any reason; and • other factors beyond our control. In addition, we believe that, for most businesses, advertising is a discretionary business expense, meaning that spending on advertising tends to decline disproportionately during an economic recession or downturn, as compared to other types of business spending. Further, our operations and revenues also tend to be seasonal in nature, with generally lower revenue generated in the first quarter of the year and generally higher revenue generated in the second and fourth quarters of the year. The seasonality of our business reflects the adult orientation of our formats and relationship between advertising purchases on these formats and the retail cycle. This seasonality causes, and will likely continue to cause, a variation in our quarterly operating results. Such variations could have a material effect on the timing of our cash flows. In addition, our revenues tend to fluctuate between years, consistent with, among other things, increased advertising expenditures in even- numbered years by political candidates, political parties, political action committees and special interest groups. This political spending typically is heaviest during the fourth quarter of such years. Additionally, unfavorable changes in economic conditions as well as declining consumer confidence, recession and other factors could lead to decreased demand for advertising and negatively impact our advertising revenues and our results of operations. We cannot predict with accuracy the timing or duration of any economic downturn generally, or in the markets in which our advertisers operate. If the economic environment does worsen, there can be no assurance that we will not experience a decline in revenues, which may negatively impact our financial condition and results of operations. ~~13~~ Our stations may not be able to compete effectively in their respective markets for advertising revenues, which could adversely affect our revenue and cash flows. We operate in a highly competitive business. A decline in our audience share or advertising rates in a particular market may cause a decline in the revenue and cash flows of our stations located in that market. Our stations compete for audiences and advertising revenues within their respective markets directly with other stations, as well as with other media platforms and companies selling digital advertising. These other media platforms include broadcast television, digital, satellite and cable television, video streaming services, newspapers and magazines, outdoor advertising, direct mail, internet radio, satellite radio, smart phones, tablets, and other wireless media, the internet, social media, smart speakers, podcasts and other forms of advertising. Our radio stations also compete for audiences and advertising revenues within their respective markets directly with Amazon, Apple, ~~Facebook~~ **Meta** and ~~Google~~ **Alphabet** . Our stations could suffer a reduction in audience ratings or advertising revenue and could incur increased promotional and other expenses if: • another station in a market was to convert its programming to a format similar to, and thereby compete more directly with, one of our stations; • a new station was to adopt a comparable format or if an existing competitor were to improve its audience share; or • a current or new advertising alternative increased its share of local or national advertising revenue. Other radio broadcasting companies may enter into markets in which we operate or may operate in the future. These companies may be larger and have more financial resources than we have. As a result, our stations may not be able to maintain or increase their current audience ratings and advertising revenues. Further, advertising revenue may vary from even- to odd- numbered years based on the volatility and unpredictability of political advertising revenue. Political advertising revenue from elections, which is generally greater in even-numbered years when ~~deferral~~ **federal** elections occur, has the potential to create fluctuations in our operating results on a year-to- year basis. In addition, political advertising revenue is dependent on the level of political advertising expenditures and competitiveness of particular races within each local market. If we are unable to develop compelling and differentiated digital content, products and services, our advertising revenues could be adversely affected. In order to attract consumers and generate increased activity on our digital properties, we believe that we must offer compelling and differentiated content, products and services. However, acquiring, developing, and offering such content, products and services may require significant costs and time to develop, while consumer tastes may be difficult to predict and are subject to rapid change. If we are unable to provide content, products and services that are sufficiently attractive to our digital users, we may not be able to generate the increases in activity necessary to generate increased advertising revenues. In addition, although we have access to certain content provided by our other businesses, we may be required to make substantial payments to license such content. Many of our content arrangements with third parties are non- exclusive, so competitors may be able to offer similar or identical content. If we are not able to acquire or develop compelling content and do so at reasonable prices, or if other companies offer content that is similar to that provided by our digital department, we may not be able to attract and increase the engagement of digital consumers on our digital properties. Continued growth in our digital business also depends on our ability to continue offering a competitive and distinctive range of advertising products and services for advertisers and publishers and our ability to maintain or increase prices for our advertising products and services. Continuing to develop and improve these products and services requires significant time and costs. If we cannot continue to develop and improve our advertising products and services, or if prices for our advertising products and services decrease, our digital advertising revenues could be adversely affected. ~~14~~ Our success is dependent upon audience acceptance of our content, particularly our audio programs, which is difficult to predict. Media and audio content production and distribution are inherently risky businesses because the revenues derived from the production and distribution of media content or ~~a~~ **an** audio program, and the licensing of rights to the intellectual property associated with the content or program, depend primarily upon their acceptance and perceptions by the public, which are difficult to predict. The commercial success of content or a program also depends upon the quality and acceptance of other competing programs released into the marketplace at or near the same time, the availability of alternative forms of entertainment and leisure time activities, general economic conditions, and other tangible and intangible factors, all of which are difficult to predict. Ratings for broadcast stations and the amount of traffic on a particular website are also factors that are weighed when advertisers determine which outlets to use and in determining the advertising rates that the outlet receives. Poor ratings or traffic levels can lead to a reduction in pricing and advertising revenues. For example, if there is an event causing a change of programming at one of our stations, there could be no assurance that any replacement programming would generate the same level of ratings, revenues, or profitability as the previous programming. In addition, changes in ratings methodology and technology could adversely impact our ratings and negatively affect our advertising revenues. Finally, the costs of developing and distributing content and programming most popular with the public may change significantly if new performance royalties (such as those that have been proposed by members of Congress from time to time) are imposed upon radio broadcasters or internet operators, and such changes could have a material impact upon our business. We may not remain competitive if we do not respond to changes in technology, standards and services that affect our industry. The radio broadcasting industry is subject to technological change, evolving industry standards and the emergence of alternate media platforms, technologies and services. We may not have the resources to acquire and deploy other technologies or to introduce new services that could compete with these other technologies. Competition arising from other technologies or regulatory changes may have an adverse effect on the radio broadcasting industry or on our Company. Various other audio technologies and services that have been developed and introduced include: • home and personal digital audio devices (e. g., smart phones, tablets, smart speakers); • satellite delivered digital audio radio services that offer numerous programming channels; • internet- based audio music services; • audio programming by internet content providers, internet radio stations, cable systems, direct broadcast satellite systems, personal communications services and other digital audio broadcast formats; • HD Radio, which provides multi- channel, multi- format digital radio services in the same bandwidth currently occupied by traditional AM and FM radio services; • low power FM radio stations, which are non- commercial FM radio broadcast outlets that serve small, localized areas; • portable digital devices and systems that permit users to listen to programming on a time- delayed basis and to fast- forward through programming and / or advertisements; and • vehicles equipped with dashboards that provide internet connectivity that increase the number of audio and video platforms available in vehicles (e. g., ATSC 3. 0 technology) or that eliminate **tuners for** certain older technologies such as AM radio. ~~15~~ These and other new technologies have the potential to change the means by which advertisers can reach target audiences most effectively. We cannot predict the effect, if any, that competition arising from other technologies or regulatory change may have on the radio broadcasting industry or on our financial condition and results of operations. Such new media and technology has resulted in increased fragmentation in the advertising market, and we cannot predict the effect, if any, that additional competition arising from new technologies may have across our business or our financial condition and results of operations, which may be adversely affected if we are not able to adapt successfully to these new media technologies or distribution platforms. The continuing growth and evolution of channels and platforms have increased our challenges in differentiating ourselves from other media platforms. We continually seek to develop and enhance our content offerings and distribution platforms / methodologies. Failure to effectively execute these efforts, actions by our competitors, or other failures to deliver content effectively could hurt our ability to differentiate ourselves from our competitors and, as a result, have adverse effects across our business. We are dependent on federally issued licenses to operate our stations and are subject to extensive federal regulation. The radio broadcasting industry is subject to extensive regulation by the FCC under the Communications Act. We are required to obtain licenses from the FCC to operate our stations. Our business depends upon maintaining our broadcast licenses, which are issued by the FCC for a term of eight years and are renewable. Although the vast majority of FCC radio station licenses are routinely renewed, we cannot assure you that the FCC will approve our future renewal applications or that the renewals will be for full eight- year terms or will not include conditions or qualifications that could adversely affect our operations. The non- renewal, or renewal with substantial conditions or modifications, of one or more of our licenses could have a material adverse effect on us. All our station licenses were renewed for full eight- year terms in the most recent renewal cycle, which concluded in August 2022. We must comply with extensive FCC regulations and policies regarding the ownership and operation of our stations. FCC regulations limit the number of radio stations that a licensee can own in a market, which could restrict our ability to consummate any future transactions, and in certain circumstances, could require us to divest one or more stations. Online music services such as Amazon Music Unlimited, Apple Music, Pandora and Spotify are not regulated by the FCC; therefore, they are not subject to any ownership restrictions or FCC regulations governing their operations. Our ability to compete with online music services may be impeded because of the extensive FCC regulations to which we are subject. The FCC also requires radio stations to comply with certain technical requirements to limit interference between two or more radio stations. Possible changes in interference protections, creation of additional classes of FM stations, spectrum allocations and other technical rules may negatively affect the operation of our stations. If the FCC relaxes certain technical requirements, it could impair the signals transmitted by our stations and could have a material adverse effect on us. In addition, the FCC has recently increased its enforcement of certain regulations, including regulations requiring a radio station to include an on- air announcement which identifies the sponsor of all advertisements and other content broadcast by any radio station for which any money, service or other valuable consideration is received, requiring all radio stations to maintain online public inspection files hosted on an FCC database that is easily accessible by members of the public and the FCC, and prohibiting the transmission of

EAS tones or simulations thereof in the absence of an actual emergency or authorized test. Moreover, these FCC regulations and others may change over time, and we cannot assure you that those changes would not have a material adverse effect on us. The FCC regulates FM translator stations as a secondary service, and in the event that an FM translator station causes actual interference to the signal of a radio or television station, FCC rules require the FM translator station to eliminate the interference and to suspend operations if the interference cannot be eliminated. If the FCC requires any FM translator station that we operate to modify its facilities to eliminate interference caused to another station or to cease broadcasting, it could materially impair the operations of the station that the FM translator rebroadcasts which could have a material adverse effect on us. ~~16~~ Vigorous enforcement of the FCC' s indecency rules could have a material adverse effect on our business. The FCC' s rules prohibit the broadcast of obscene material at any time and indecent material between the hours of 6 a. m. and 10 p. m. The risk of violating the prohibition on the broadcast of indecent material is increased by the vagueness of the FCC' s definition of indecent material, coupled with the spontaneity of live programming. The FCC has expanded the breadth of indecency regulation to include material that could be considered " blasphemy, " " personally reviling epithets, " " profanity " and vulgar or coarse words amounting to a nuisance. As a result, in the event that we broadcast material falling within the expanded breadth of the FCC' s regulation, we could be subject to license revocation, or renewal or qualifications proceedings, which would put the licenses that we depend on for our operations in jeopardy. In 2007, the monetary penalties for broadcasting indecent programming increased substantially. The current maximum permitted fines ~~are~~ **for an indecency violation is** $ ~~479~~ **495** , ~~945~~ **500** per incident and $ 4, ~~430~~ **573** , ~~255~~ **840** for any continuing violation arising from a single act or failure to act. In a decision issued in June 2012, the Supreme Court did not find that the FCC' s indecency standards were inconsistent with the First Amendment, which means the FCC may continue to enforce the standards. The FCC has advised that it will continue to pursue enforcement actions in egregious cases while it conducts a review of its indecency policy generally, and in March 2015, the FCC issued a Notice of Apparent Liability for the then maximum forfeiture amount of $ 325, 000 against a television station. Because the FCC may investigate indecency complaints prior to notifying a licensee of the existence of a complaint, a licensee may not have knowledge of a complaint unless and until the complaint results in the issuance of a formal FCC letter of inquiry or notice of apparent liability for forfeiture. We may in the future become subject to additional inquiries or proceedings related to our stations' broadcast of indecent or obscene material. To the extent that these pending inquiries or other proceedings result in the imposition of fines, revocation of any of our station licenses or denials of license renewal applications, our business and results of operations could be materially adversely affected. The royalties we pay to copyright owners could increase significantly, and proposed legislation could require radio broadcasters to pay royalties to record labels and recording artists. We pay royalties to copyright owners of musical compositions (typically song composers and publishers) whenever we broadcast or stream musical compositions. These royalties are paid through ASCAP, BMI, SESAC, GMR, and Sound Exchange. The rates at which we pay royalties to copyright owners are privately negotiated or set pursuant to a regulatory process. Increased royalty rates could significantly increase our expenses, which could adversely affect our business. There is no guarantee that the licenses and associated royalty rates that currently are available to us will be available to us in the future. In addition, legislation has been previously introduced in Congress that would require radio broadcasters to pay a performance royalty to record labels and performing artists for use of their recorded songs. The proposed legislation would add an additional layer of royalties to be paid directly to the record labels and artists. It is currently unknown what proposed legislation, if any, will become law, whether industry groups will enter into an agreement with respect to performance fees, and what significance this royalty would have on our results from operations, cash flows or financial position. We depend on selected market clusters of stations for a material portion of our net revenue. The stations located in Boston, MA, Detroit, MI and Philadelphia, PA contributed 58 % of our net revenue in ~~2022~~ **2023** . Accordingly, we have greater exposure to adverse events or conditions in any of these markets, such as changes in the economy, shifts in population or demographics, or changes in audience tastes **, or local government actions** , which could adversely impact our results from operations, cash flows or financial position. We are exposed to credit risk on our accounts receivable. This risk is heightened during periods of uncertain economic conditions. Our outstanding accounts receivable are not covered by collateral or credit insurance. Credit risk on our receivables is heightened during periods of uncertain economic conditions, and there can be no assurance that our ~~17~~ procedures to monitor and limit exposure to credit risk will be effective and enable us to avoid losses, which could have a material adverse effect on our results from operations, cash flows or financial position. We also maintain reserves to cover the uncollectibility of a portion of our accounts receivable, however, the estimate which is based on current information may differ from actual results. A future impairment of our FCC licenses and / or goodwill could adversely affect our operating results. As of December 31, ~~2022~~ **2023** , our FCC licenses and goodwill represented ~~70~~ **69** % of our total assets. We are required to test our FCC licenses and goodwill for impairment on an annual basis, or more frequently if events or changes in circumstances indicate that our FCC licenses and / or goodwill might be impaired, and we have, from time to time, recorded impairment charges as a result of such tests. We assess qualitative factors to determine whether it is more likely than not that our FCC licenses and / or goodwill might be impaired. If we determine it is more likely than not that our FCC licenses and / or goodwill are impaired, then we are required to perform a quantitative impairment test. The valuation of our FCC licenses and goodwill is based on estimates rather than precise calculations. The fair value measurements for both our FCC licenses and goodwill use significant unobservable inputs which reflect our own assumptions about the estimates that market participants would use in measuring fair value including assumptions about risk. If actual future results are not consistent with the assumptions and estimates used, we may be exposed to impairment charges in the future, which could be material and could adversely affect our results of operations and financial condition. For further discussion, see " Item 7 ~~—~~ **-** Management' s Discussion and Analysis of Financial Condition and Results of Operations ~~—~~ **-** Critical Accounting Estimates " of this report. We have substantial debt that could have important consequences to you. We have debt that is substantial in relation to our equity. As of December 31, ~~2022~~ **2023** , we had long- term debt of $ ~~290~~ **267** . 0 million and equity of $ ~~223~~ **149** . ~~5~~ **0** million. Our long- term debt is substantial in amount and could have an impact on you. For example, it could: • require us to dedicate a substantial portion of our cash flows from operations to debt service, thereby reducing the availability of cash flows for other purposes, including ongoing capital expenditures and future acquisitions; • impair our ability to obtain additional financing for working capital, capital expenditures, acquisitions and general corporate or other purposes; • limit our ability to compete, expand and make capital improvements; • increase our vulnerability to economic downturns, limit our ability to withstand competitive pressures and reduce our flexibility in responding to changing business and economic conditions; and • limit or prohibit our ability to pay dividends and make other distributions. Any additional borrowings or note offerings would further increase the amount of our debt and the associated risks. In addition, there can be no assurances that additional financing will be available or on terms that will be acceptable to us, or at all. Our ability to pay regular dividends on our common stock is subject to the discretion of our Board of Directors and may be limited by our structure, statutory restrictions and restrictions imposed by the Indenture governing our Notes as well as any future agreements. **Our** ~~Due to the impact of the COVID- 19 pandemic, our~~ board of directors has suspended future quarterly dividend payments until it is determined that resumption of dividend payments is in the best interest of the Company' s stockholders. While we intend to pay a regular quarterly cash dividend, future payments, if any, will be at the discretion of our Board of Directors. Future quarterly dividend payments can also be changed or discontinued at any time and will be subject to limitations under the terms of the Indenture governing our Notes **(as defined below)** , ~~18~~ as well as any future agreements. The payment and timing of any future quarterly dividends will also depend upon, among other things, our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors deemed relevant by our Board of Directors. Our corporate offices and several of our stations are located in areas that could be affected by hurricanes. Florida is susceptible to hurricanes, and we have our corporate offices located in Naples, and stations located in Fort Myers and Tampa. These stations contributed 13 % of our net revenue in ~~2022~~ **2023** . **Our** ~~Although the 2022 hurricane season did not have a material impact on our operations, our~~ corporate offices and our stations located in Florida and other stations located along the east coast of the United States have been materially affected by hurricanes in the past and may be materially affected in the future, which could have an adverse impact on our business, financial condition and results of operations. We carry property damage insurance on all of our properties and business interruption insurance on some of our properties, but there can be no assurance that such insurance would be adequate to cover all of our hurricane- related losses. The failure or destruction of the internet, satellite systems and transmitter facilities that we depend upon to distribute our programming could adversely affect our operating results. We use studios, satellite systems, transmitter facilities and the internet to originate and / or distribute our station programs and commercials. We rely on third- party contracts and services to operate our origination and distribution facilities. These third- party contracts and services include, but are not limited to, electrical power, satellite transponders, uplinks and downlinks and telecom circuits. **We do not control these third parties or the quality, security or testing of various third- party software, hardware or infrastructure products that are utilized in our business.** Distribution may be disrupted due to one or more third parties losing their ability to provide particular services to us, which could adversely affect our distribution capabilities. A disruption can be caused as a result of any number of events, such as local disasters (accidental or environmental), various acts of terrorism, power outages, cyber- attacks, major telecom connectivity failures or satellite failures. Our ability to distribute programming to station audiences may be disrupted for an undetermined period of time until alternate facilities are engaged and put online. Furthermore, until third- party services resume, the inability to originate or distribute programming could have a material adverse effect on our business and results of operations. Disruptions or security breaches of our information technology infrastructure could interfere with our operations, compromise client information ~~and~~ **,** expose us to liability, ~~possibly causing~~ **and cause material adverse effects on** our business and reputation ~~to suffer~~ . Any ~~internal~~ technology error or failure impacting systems hosted internally or externally, or any large- scale ~~external~~ interruption ~~in~~ **to the** technology infrastructure we depend on, such as power, telecommunications or the internet, may disrupt our **operations** ~~technology network~~ . Any individual, sustained or repeated failure of technology could impact our customer service and result in increased costs or reduced revenues. Our technology systems and related data **are** also ~~may be~~ vulnerable to a variety of sources of interruption due to events beyond our control, including natural disasters, terrorist attacks, telecommunications failures, cyber- attacks, computer viruses, hackers and other security issues. Our technology security initiatives, disaster recovery plans and other measures may not be adequate or implemented properly to prevent a **cyberattack or** business disruption and its adverse financial consequences to our reputation. In addition, as a part of our ordinary business operations, we ~~may~~ **and certain of our third- party providers** collect ~~and~~ **, process,** store **and maintain** sensitive data, including the personal information of our clients, listeners ~~and~~ **,** employees **, contractors, business partners and others as well as trade secrets and other propriety business information** . The secure operation of the networks and systems on which this type of information is stored, processed and maintained is critical to our business operations and strategy. Any compromise of our technology systems resulting from attacks by hackers or breaches due to employee error or malfeasance could result in the loss, disclosure, misappropriation of or access to clients', listeners', employees' **contractors'** or business partners' information. Any such loss, disclosure, misappropriation or access could result in legal claims or proceedings **(including class actions)** , liability or regulatory penalties under laws protecting the privacy of personal information, disruption of our operations and damage to our reputation, any or all of which could adversely affect our business. ~~19~~ Our business is dependent upon the proper functioning of our ~~internal~~ business processes and information systems and modification or interruption of such systems may disrupt our business, processes and internal controls. We ~~increasingly~~ rely **heavily** on technology **, such as computer systems, hardware, software, technology infrastructure and online sites and networks for both internal and external operations,** to operate our business, including our own information technology systems and the information technology systems and technology of our third- party providers. The proper functioning of our ~~internal~~ business processes and information systems is critical to the efficient operation and management of our business. If these information technology systems fail or are interrupted, our operations may be adversely affected and operating results could be harmed. Our information technology systems, and those of third- party providers, **are** ~~may also be~~ vulnerable to damage or disruption caused by circumstances beyond our control. These include catastrophic events, power anomalies or outages and natural disasters, and, increasingly, technological risks associated with computer system or network failures, viruses or malware **, misconfigurations, bugs or securities vulnerabilities in hardware and software** , physical or electronic intrusions, and unauthorized access associated with cyber- attacks **that threaten the confidentiality, integrity and availability of our information technology systems and confidential information** . We and certain of our third- party vendors have been the target of cyber- attacks, including phishing attacks, ransomware attacks, and attempted denial of service attacks, and future attacks are likely to occur. While no cyber- attack has had a material impact thus far, if successful, these types of attacks could have a material adverse effect on our financial condition, results of operations and cash flows, due to, among other things, the loss of customer data **and other confidential information** , interruptions to our operations, and damage to our reputation **. Cyberattacks are expected to accelerate on a global basis in frequency and magnitude as threat actors are increasingly sophisticated in using techniques and tools – including generative and other artificial intelligence – that circumvent security controls, evade detection and remove forensic evidence. As a result, we may be unable to detect, investigate, remediate or recover from future attacks or incidents, or to avoid a material adverse impact to our systems or information** . In addition, our business processes and information systems need to be sufficiently scalable to support the future growth of our business and may require modifications or upgrades that expose us to similar risks of damage or disruption. Any material disruption, malfunction or similar challenges with our business processes or information systems, or disruptions or challenges relating to the transition to new processes, systems or providers, could have a material adverse effect on our financial condition, results of operations and cash flows **. Moreover, remote and hybrid working arrangements at our company (and at many third- party providers) also increase cybersecurity risks due to the challenges associated with managing remote computing assets and security vulnerabilities that are present in many non- corporate and home networks. There can be no assurance that our cybersecurity risk management program and processes, including our policies, controls, or procedures, will be fully implemented, complied with or effective in protecting our information technology systems and confidential information** . We may lose key executives and other key employees, including on- air talent, to competing stations or other types of media competitors. Our business depends upon the continued efforts, abilities and expertise of our executive officers and other key employees. The unique combination of skills and experience possessed by our key executives would be difficult to replace, and the loss of a key executive could impair our ability to execute our operating and acquisition strategies. In addition, we compete for creative and performing on- air talent with other stations and radio station groups, radio networks, and other providers of syndicated content and other media such as broadcast television, digital, satellite and cable television, video streaming services, the internet, podcast producers and satellite radio. Our ability to attract and retain key personnel is an important aspect of our competitiveness. Our employees and other on- air talent are subject to change and may be lost to competitors or for other reasons. Any adverse changes in particular programs, formats or on- air talent could have a material adverse effect on our ratings and our ability to attract advertisers, which would negatively impact our business, financial condition or results of operations. Our success depends on our ability to identify, consummate and integrate acquired stations. As part of our strategy, we have pursued, and may continue to pursue, acquisitions of additional stations. Radio broadcasting is a rapidly consolidating industry with many companies seeking to consummate acquisitions and increase their market share. In this environment, we compete with many other buyers for the acquisition of stations. Some of those competitors may be able to outbid us for acquisitions because they have greater financial resources. FCC ownership rules limit the number of stations that an entity can own in specific local markets, and in certain markets, we do not have room to acquire additional stations **in the FM service or in both the AM and FM services** . As a result, our ability to identify and consummate future acquisitions is uncertain. In addition, our consummation of all future acquisitions is subject to various conditions, including FCC and other regulatory approvals. The FCC must approve any transfer of control or assignment of broadcast licenses. In ~~20~~ addition, acquisitions may encounter intense scrutiny under federal and state antitrust laws. Any delays, injunctions, conditions or modifications by any government agencies could have a negative effect on us and result in the abandonment of all or part of attractive acquisition opportunities. Our success also depends on our ability to integrate acquired businesses and achieve fully the strategic and financial objectives related thereto. The process of integrating acquired stations may involve numerous risks, including: • integrating two unique business cultures, which may prove to be incompatible; • consolidating corporate and administrative infrastructures and eliminating duplicative operations; • the diversion of management' s attention from ongoing business concerns; • unanticipated issues in integrating information technology, communications and other systems; • costs or inefficiencies associated with integrating the operations of the combined company; and • unforeseen expenses, liabilities or delays. We cannot predict whether we will be successful in identifying future acquisition opportunities or what the consequences will be of any acquisitions. The failure to identify, consummate and integrate acquired stations could have a material adverse effect on our financial condition, results of operations and cash flows. The Beasley family controls Beasley Broadcast Group, Inc. and members of the Beasley family own a substantial equity interest in Beasley Broadcast Group, Inc. Their interests may conflict with yours. The Beasley family, which includes Caroline Beasley, our Chief Executive Officer and a member of our board of directors, Bruce Beasley, our President and a member of our board of directors, and Brian Beasley, our Chief Operating Officer and a member of our board of directors, is generally able to control the vote on all matters submitted to a vote of stockholders. Without the approval of the Beasley family, we will be unable to consummate transactions involving an actual or potential change in control, including transactions in which you might otherwise receive a premium for your shares over then current market prices. Shares of Class B and Class A common stock that members of the Beasley family beneficially own represent 94 % of the total voting power of all classes of our common stock. The Beasley family will be able to direct our management and policies, except with respect to those matters requiring a class vote under the provisions of our amended certificate of incorporation, fourth amended and restated bylaws or applicable law. Historically, we have entered into certain transactions with members of the Beasley family and affiliated entities that may conflict with the interests of our stockholders now or in the future. See “ Item 7 ~~—~~ **–** Management’ s Discussion and Analysis of Financial Condition and Results of Operation ~~—~~ **–** Related Party Transactions ” and Note ~~18~~ **17** to the accompanying financial statements. Future sales by the Beasley family of our Class A common stock could adversely affect its market price. Members of the Beasley family beneficially own the majority of all outstanding shares of Class B common stock, which is convertible to Class A common stock on a one- for- one basis. The market for our Class A common stock could change substantially if members of the Beasley family convert their shares of Class B common stock to shares of Class A common stock and then sell large amounts of shares of Class A common stock in the public market. These sales, or the possibility that these sales may occur, could make it more difficult for us to raise capital by selling equity or equity- related securities in the future. ~~21~~ **The difficulties associated with any attempt to gain control of our Company may adversely affect the price of our Class A common stock. Due to their large beneficial ownership of our Class B and Class A common stock, members of the Beasley family control the decision whether any change of control of the Company will occur. Moreover, some provisions of our amended certificate of incorporation, fourth amended and restated bylaws and Delaware law could make it more difficult for a third party to acquire control of us, even if a change of control could be beneficial to you. In addition, the Communications Act and FCC rules and policies limit the number of stations that one individual or entity can own, directly or by attribution, in a market. The FCC’ s media ownership rules remain in flux and subject to further agency and court proceedings. The FCC is required to review its media ownership rules quadrennially and determine if the rules remain necessary in the public interest as a result of competition. FCC approval for transfers of control of FCC licensees and assignments of FCC licenses are also required. Because of the limitations and restrictions imposed on us by these provisions and regulations, the trading price of our Class A common stock may be adversely affected. There may not be an active market for our Class A common stock, making it difficult for you to sell your stock. Our stock may not be actively traded in the future. An illiquid market for our stock may result in price volatility and poor execution of buy and sell orders for investors. Our stock price and trading volume have fluctuated widely for a number of reasons, including some reasons that may be unrelated to our business or results of operations. This market volatility could depress the price of our Class A common stock without regard to our operating performance. In addition, our operating results may be below expectations of public market analysts and investors. If this were to occur, the market price of our Class A common stock could decrease, perhaps significantly.**